

2005 Executive Proposed Budget

2003 - 2005 EXPENDITURE SUMMARY

APPROPRIATION UNIT	2003 Actual	2004 Adopted Budget	2004 Estimate (b)	2005 Proposed Budget	Incr/(Decr) From 2004 Adpt. Budget
Personnel Costs	\$85,320,740	\$91,651,264	\$90,281,770	\$96,427,185	\$4,775,921
Operating Expenses	\$83,055,484	\$88,290,440	\$92,130,555	\$99,120,246	\$10,829,806
Interdepartmental Charges	\$13,250,291	\$14,135,462	\$14,075,047	\$14,252,490	\$117,028
Fixed Assets & Imprvmnts (a)	\$1,320,107	\$1,743,405	\$2,099,167	\$2,584,860	\$841,455
Debt Service-Excl Proprietary (a)	\$12,053,384	\$12,885,188	\$15,240,551	\$12,086,251	(\$798,937)
Capital Projects	\$24,999,412	\$28,344,370	\$28,344,370	\$29,727,500	\$1,383,130
Total Gross Expenditures	\$219,999,418	\$237,050,129	\$242,171,460	\$254,198,532	\$17,148,403

BY FUNCTIONAL AREA	2003 Actual	2004 Adopted Budget	2004 Estimate (b)	2005 Proposed Budget	Incr/(Decr) From 2004 Adpt. Budget
Justice & Public Safety	\$38,135,199	\$41,698,103	\$41,786,572	\$45,773,706	\$4,075,603
Health & Human Services	\$79,564,068	\$83,040,485	\$87,352,571	\$95,082,861	\$12,042,376
Parks, Env., Educ. & Land Use	\$23,704,920	\$25,212,252	\$25,153,158	\$25,512,462	\$300,210
Public Works	\$23,546,309	\$23,013,426	\$23,058,952	\$24,053,831	\$1,040,405
General Administration	\$13,739,700	\$15,765,840	\$15,367,781	\$15,650,458	(\$115,382)
Non-Departmental	\$4,256,426	\$7,090,465	\$5,867,505	\$6,311,463	(\$779,002)
Debt Service-Excl Proprietary	\$12,053,384	\$12,885,188	\$15,240,551	\$12,086,251	(\$798,937)
Capital Projects	\$24,999,412	\$28,344,370	\$28,344,370	\$29,727,500	\$1,383,130
Total Gross Expenditures	\$219,999,418	\$237,050,129	\$242,171,460	\$254,198,532	\$17,148,403

(a) Proprietary fund (Internal Service and Enterprise funds) expenditure appropriations exclude Fixed Asset and Debt Service Principal Payments to conform with generally accepted accounting standards. Fixed Asset purchases and Debt Principal payments will be funded by operating revenues, tax levy or fund balance appropriations and are included, as applicable, in each agency budget request.

(b) Estimated expenditures exceed budget due to prior year appropriations carried forward and expended in current year and/or other budget modifications approved by County Board ordinance or fund transfer.

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2005 EXPENDITURE HIGHLIGHTS

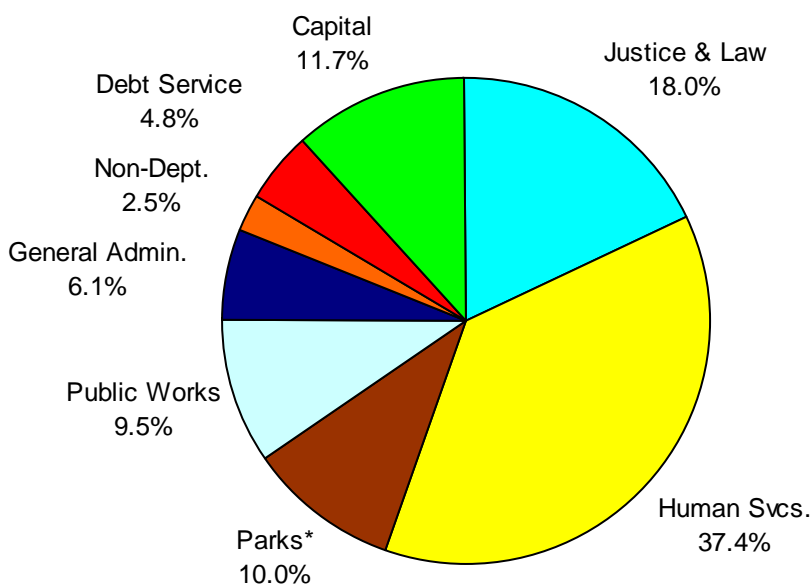
Expenditure Budget:

The 2005 total gross expenditure budget is \$254,198,532, an increase of \$17.1 million or 7.2% from the 2004 adopted budget. Budget appropriations consist of departmental operating expenditures of \$224,471,032 and capital spending of \$29,727,500. The operating budget increases by \$15,765,273 from last year's operating budget while capital project expenditures increase by \$1,383,130 from the 2004 adopted budget. The net total expenditure budget after adjustment for \$14,252,490 interdepartmental charge backs, mainly from Internal Service Funds (which are double budgeted), is \$239,946,042. The net operating expenditure budget totals \$210,218,542 after subtracting capital spending.

The adopted budget includes personnel costs totaling \$96.4 million or 43% of the operating budget. Overall employee costs increased about \$4.8 million, or 5.2% from the 2004 adopted budget.

Operating expenditures (including operating expenses, purchased services, and interdepartmental charges appropriation units) increase from \$102.4 million in 2004 to \$113.4 million in 2005, an increase of \$10.9 million. Operating, expenses represent about 50.5% of the operating budget. Fixed assets and improvements expenditures are budgeted at \$2.6 million. Debt service payments are budgeted at \$12.1 million.

2005 Expenditures as a Percent of Total



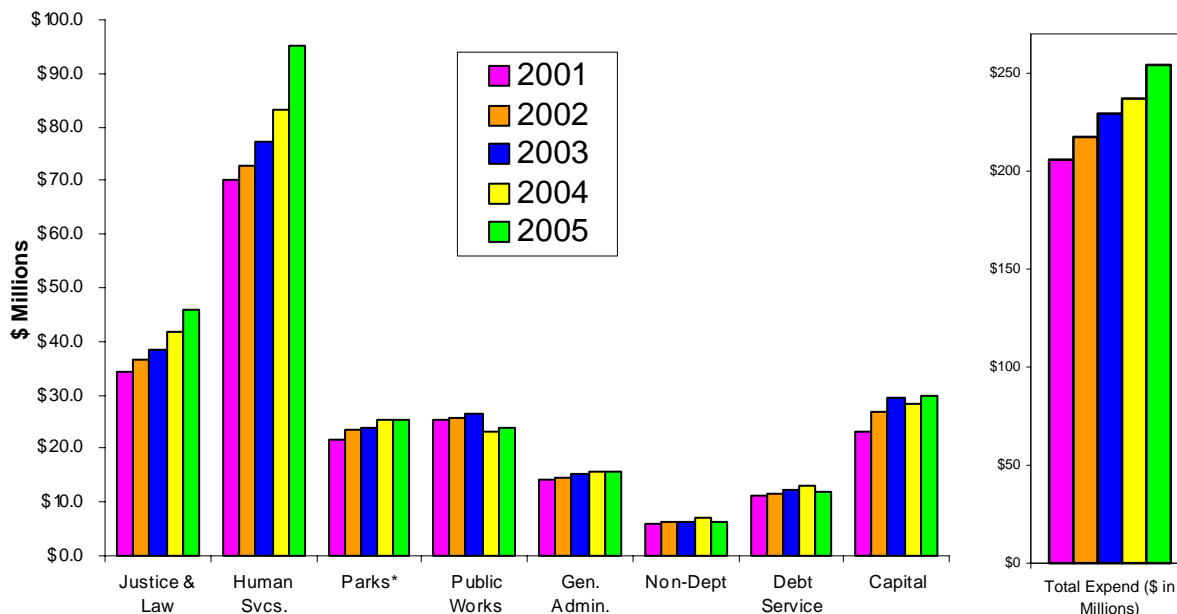
*Includes Parks, Environment, Education and Land Use

As shown above, the 2005 Functional Area expenditures are broken down as follows; Human Services activities represent 37.4% of county expenditures increasing \$12.0 million or 14.5% over 2004 budgeted levels; Justice and Public Safety activities represent 18.0% of total expenses and increase \$4.0 million or 9.8%; Public Works represents 9.5% of total expenses and increases \$1.0 million or 4.5%; Parks, Environment, Education and Land Use expenditures represent 10.0% of total and increase \$300,200 or 1.2%; General Administration is 6.1% of expenditures and decreases \$115,400 or 0.7%; Non-Departmental is 2.5% of expenditures and decreases \$779,000 or 11.0%; Capital expenditures total 11.7% of county expenditures and increase \$1.4 million or 4.8%; Debt Service represents 4.8% of total expenditures and decreases \$799,000 or 6.2%.

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2005 EXPENDITURE HIGHLIGHTS

Budgeted Expenditures by Functional Area 2001 – 2005



Includes Parks, Environment, Education and Land Use

The graph above depicts expenditure trend data over the past five years. The 2005 budget expenditure level increases 7.2% or \$17.1 million to \$254.2 million. Over 60% of the increase in expenditure is due to the transfer of HHS program responsibilities from the State to the County. **Expenditure increases of \$2.3 million (about 1%) relate to costs to continue**

Detailed expenditure highlights are included within each Functional Area Summary. A summary of major funding and policy changes, which impact expenditures by functional area, follows:

Justice and Public Safety

- Creation of the **Emergency Preparedness (EP) department** as of July 01, 2005. This department will combine the Waukesha Communication Center operations, Emergency Management operations, and Radio Service communication operations. A Department Head position will be created, with a manager position abolished for a zero net position increase.
- Second year operations (first full year budget) for the **EP - Communications Center** includes an expenditure budget of \$3.9 million, supporting operations including 45 authorized employees to provide dispatch services for 29 municipalities and county departments.
- The **EP-Emergency Management** division expenditures include \$140,000 for the Countywide Hazardous Materials Response Team annual contract with the City of Waukesha and \$70,000 for Business Continuity costs (these expenditures are shifted from the 2004 Non-Departmental Budget).
- The **Sheriff** department is budgeting for 24 new positions to be created and funding three positions unfunded in prior budget years as the **Jail Expansion** is planned to be operational as of October 2005 for expanded and recommended segregate inmate housing.
- The **Sheriff** Department's 2005 budget for out of county prisoner placement and transport costs continues the 2004 level of \$100,000 and includes a one-time increase of \$164,000 as more inmates may need to be housed out of county as the Justice Addition is renovated to shift Central Control operations to the Justice Expansion building.

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2005 EXPENDITURE HIGHLIGHTS

Health and Human Services

- Department of **Health and Human Services – Autism Waiver Services** program, created in 2004 through separate ordinance, increases 2005 budgeted expenditures by \$4.8 million. The department is the responsible agency for the coordination of intensive and post intensive autism services. The 2005 budget includes appropriations to serve approximately 193 children.
- A major funding priority area for the state is the **Health and Human Services - Long-Term Care Division** 2005 expenditure appropriations budget, which increases \$5.8 million. Much of the increase is associated with a \$3.7 million increase related to a state law change that requires counties to be responsible for clients that currently reside at an **Intermediate Care Facility (ICFMR)**.
- The remaining \$2.1 million increase in Long Term Care expenditures primarily relates to waiver funding of \$1.9 million and which provides for a net 13,000 increase in waiver funded days of care.
- The Criminal Justice Collaborating Council (continues to carry out analysis/special studies and to recommend and implement comprehensive changes aimed at controlling jail inmate population growth. The Council is provided with budget appropriations totaling \$459,144 and total county tax levy funding of \$440,913 (an increase of \$50,000) to address front end and aftercare monitoring services to help reduce recidivism.
- To deal with the fiscal pressures in mandated programs, the 2005 **Human Services** budget includes reductions in certain non-core, non-mandated Human Services program areas. These reductions include **decreasing a full time social worker position** to part-time resulting in about 1,000 less hours of intake and assessment services, which will decrease prevention and early intervention assessment activities during high referral periods. The estimated levy savings of \$32,500 is shifted to other human service mandate areas.
- The **Human Services-Long Term Care** budget includes a \$10,000 or about a 26% **reduction in the ARCh** contract for recreational/social program funding for clients with developmental disabilities.
- Human Services reductions include elimination of a **structured activities** contracted for by \$30,000 at the Juvenile Center for troubled youth. These are planned to be replaced by existing staff providing activities when possible.
- Human Services is also decreasing budgeted **prescription drug** expenditures of \$87,000 for psychotropic medications dispensed to individuals with mental illness who do not have ability to pay which is the result of current effective drug cost containment methods such as, fast track Medical assistance/Social Security Income application assistance and use of free samples, etc.
- In the face of escalating **Health and Human Services - Economic Support (ES)** caseloads and continued State Income Maintenance (IM) program expansions, County staff renegotiated the WDC lease resulting in lower budgeted expenditures of \$91,000. This lease will continue to allow for one-stop client services in the areas of W-2 (economic/work assistance) and those statutorily County provided services in the Medical Assistance, Food Stamps, and Child Care Subsidy areas.

Parks, Environment, Education and Land Use

- The **Register of Deeds** 2005 budget includes a first year funding for Optical Character Recognition (OCR) software license and support fees of \$15,000. Implementation of OCR is expected to speed processing of recorded documents.
- The **Parks and Land Use** budget includes the Exposition Center as a General Fund program, rather than an enterprise fund operation. The accounting change recognizes the fact that the facility serves as an important economic development tool but is unable to generate sufficient revenue to cover annual and long term operating costs such as capital improvements, maintenance and depreciation expenses.

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2005 EXPENDITURE HIGHLIGHTS

Public Works

- **Public Works General Fund** operations includes the creation of 2.25 FTE positions for the opening of the expanded Jail facility in October 2005. This includes 2.0 FTE Maintenance Mechanic II's and 1.0 FTE Building Service Worker II starting July 1, 2005 and one Maintenance Mechanic III starting April 1, 2005 for total 2005 costs of \$109,000. Partial year utility costs are budgeted at \$178,000 and additional operating costs are included at \$28,000. One-time equipment costs of \$16,000 are funded with fund balance.
- Other position changes in the **Public Works Department Transportation Fund** include the abolishment of 2.0 FTE Patrol Worker and unfunding an additional 1.0 FTE Patrol worker due to declining State labor cost reimbursement for maintenance on State roads. This revenue is reduced over 5% or almost \$87,000. An additional 1.0 FTE Patrol Worker position is unfunded for County highway operations and Overtime is reduced as part of a reduction of \$36,000 in personnel costs to adjust to another year of no increase in State General transportation aids.
- On-going energy costs are budgeted to increase almost \$93,000 in Public Works operations overall with the largest increase for natural gas of \$58,000. Natural gas prices are expected to be unstable with the budget increasing 14%. Electricity is increasing \$35,000.
- The **Airport** operating budget includes a tax levy reduction of \$70,000 due to a favorable snow removal/grass cutting contract bid in 2004. The lack of land lease revenue growth and reduced hangar rental revenue of \$15,000 due to the soft economy is offset with strong growth in fuel flowage fees of \$17,000.

General Administration - Non-Departmental

- **DOA-Records Management** costs and related revenues decrease \$355,500 related to the discontinuation of the Print Services Division operations. The County departments will have direct interaction with contracted preferred print vendors eliminating the middleman concept, which results in cost savings to the departments. This change was necessitated by a decision to provide a more cost effective outsource printing solution
- General Fund Non-Departmental expenditures decrease \$580,000 due to the elimination of the one-time retiree health insurance subsidy in 2004.
- General Fund Non-Departmental expenditures decrease \$139,300 for the building capital expenditures grant to the Waukesha County Historical Society.

Capital Projects

The 2005 capital project expenditure budget of \$29.7 million increases \$1.3 million or 4.9% from the 2004 adopted budget. The 2005 capital budget identifies funding for existing and new projects at a net county cost of \$19.8 million (after revenues and fund balance appropriation totaling \$9.9 million are applied). For 2005, borrowed funds total \$14.4 million and investment income is at \$600,000. Project funding also includes \$4.8 million in county tax levy, an increase of \$84,168 from the 2004 budget

Debt Service

The Debt Service expenditure budget for general governmental purposes (excluding proprietary funds debt service payments which are funded from individual fund operating budgets) is \$12,086,251, a decrease of \$798,937 or 6.2% from the 2004 adopted budget. To fund the 2005 capital project's budget, \$14.4 million is planned to be borrowed increasing the County's total debt outstanding at \$85.9 million.